

Message Text

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ACTION NODS-00

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FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC IMMEDIATE 2284

S E C R E T TEHRAN 6280

NODIS/CHEROKEE

FOR UNDER SECRETARY ROBINSON FROM AMBASSADOR

E.O. 11652: XGDS 1

TAGS: ENRG, IR, EGEN, OVIP (ROBINSON)

SUBJ: DRAFT AGREEMENT

SET FORTH BELOW IS THE TEXT OF A DRAFT AGREEMENT WHICH
YOU AND ANSARY WROTE EVENING JUNE 30. THIS TEXT WAS PASSED
TO ANSARY FIRST THING MORNING JULY 1.

DRAFT AGREEMENT

1. QUANTITY - 500,000 BBLS/DAY (ABOVE CURRENT U.S. PURCHASES
OF APPROXIMATELY 500,000 BBLS/DAY TO BE INCREASED BY AN AMOUNT
EQUIVALENT TO ANY DECREASE IN THE CURRENT LEVEL OF US PURCHASES).
2. PERIOD - FIVE YEARS FROM DATE OF CONTRACT EXECUTION.
3. OIL PURCHASE PRICE - CURRENT OPEC OFFICIAL PRICE (\$10.46/
BBL) TO BE INCREASED MONTHLY WITH THE US WHOLESALE PRICE INDEX
FROM DATE OF CONTRACT EXECUTION.
4. PAYMENT - IN SPECIAL US FIVE-YEAR TREASURY NOTES TO
BE ISSUED MONTHLY BEARING INTEREST AT MARKET RATES TO BE
AGREED COMMENCING AFTER A MORATORIUM PERIOD OFMONTHS.

5. TREASURY NOTES - TO BE USED FOR PURCHASES BY IRAN OF
US PRODUCTS (MILITARY, AGRICULTURAL, AND OTHERS TO BE
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AGREED UPON) AT ANY TIME AFTER THE MORATORIUM PERIOD, OR

TO BE HELD BY IRAN, PARTIALLY OR IN TOTAL, UNTIL RETIRED
IN CASH WITH ACCUMULATED INTEREST AT THE END OF FIVE YEARS.

6. SPECIAL CONDITIONS: (A) U.S. TO HAVE THE OPTION TO
TERMINATE THIS AGREEMENT SHOULD THE FORMULA PRICE
(3. ABOVE) EXCEED THE PREVAILING OFFICIAL OPEC PRICE.
(B) IRAN TO HAVE THE OPTION TO TERMINATE THE AGREEMENT
SHOULD THE INCREASE IN THE PRICE OF PRODUCTS PURCHASED BY
IRAN BY APPLICATION OF TREASURY NOTES (5. ABOVE) OVER A
PERIOD OF MONTHS EXCEED THE INCREASE IN THE U.S. WHOLE-
SALE PRICE INDEX FOR THE SAME PERIOD. (THE FORMULA FOR
ESTABLISHING THIS COMPARISON TO BE MUTUALLY AGREED.)
HELMS

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NNN

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